



FACT SHEET

U.S.-Panama Trade Promotion Agreement Florida Farmers Will Benefit

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The U.S.-Panama Trade Promotion Agreement eliminates tariffs and other barriers on most U.S. goods, increasing export opportunities for agricultural products important to Florida. With immediate elimination of duties on over 60 percent of current U.S. trade, this agreement changes the one-way street of duty-free access currently enjoyed by most Panamanian exports into a two-way street benefiting both countries. The American Farm Bureau strongly supports the agreement, predicting widespread gains for U.S. agriculture exceeding \$190 million per year.

Florida's exports to all countries, estimated at \$1.9 billion in 2007, supported about 20,250 jobs, on and off the farm. These export sales make an important contribution to the Florida farm economy which had total cash receipts of \$7.6 billion in 2007.

Fruits. Supported by its very large citrus industry, Florida fruit producers and processors are the state's leading agricultural export industry and third largest fruit exporters in the nation with overseas sales estimated at \$730 million in 2007. This industry will benefit from the agreement.

- Panama will eliminate its tariffs on nearly all fresh and processed fruits immediately.
- Following are examples of fruit products of importance for Florida that will be duty-free immediately (the currently applied tariff is indicated in parentheses): oranges (15 percent), grapefruit (15 percent), all citrus juices (15 percent)

Vegetables. The nation's fifth largest fresh and processed vegetable exporter, Florida's vegetable industry will benefit from the Panama FTA.

- Panama will eliminate its tariffs on nearly all frozen and processed vegetables immediately. The tariff faced by U.S. exporters for these products currently is 15 percent.
- The tariffs for most fresh vegetables will be eliminated in 10-15 years.
- Panama will eliminate its 15-percent tariffs on fresh tomatoes in 12 years.

Beef. As the state's fifth largest source of farm cash receipts at \$449 million in 2007, Florida's cattle and calf industry will gain from this agreement.

- Panama will immediately eliminate its 30-percent duty on beef products of most importance to the U.S. beef industry--prime and choice cuts. Panama's tariffs on other cuts of beef will be phased out over 15 years.
- The 10-percent tariff on beef tongues and livers will be eliminated in 5 years, and the 15-percent tariffs on other edible offal will be eliminated immediately.
- Panama has already implemented our December 2006 bilateral agreement on sanitary and phytosanitary measures, reopening its market to U.S. beef by bringing its import requirements related to BSE into compliance with international standards.
- Panama also accepted the equivalence of the U.S. meat inspection system, which allows U.S. inspectors to certify beef for export to Panama without having each facility and shipment inspected by Panamanian authorities.

Peanuts. Florida peanut exports totaled \$21 million in 2007. The Panama agreement will benefit peanut farmers.

- Panama will eliminate its 15-percent tariff on most peanut products immediately.
- The tariff on roasted peanuts will be eliminated in 5 years.